

THE GUARDIAN (U.K.)
6 JANUARY 1982

Arms trader claims aid by British intelligence

By Philip Jordan

The renegade CIA officer Frank Terpil, wanted in America on gun-running charges, claimed on television last night that a British intelligence officer had helped him to smuggle explosives through Heathrow airport.

He said that other British contacts received some of a \$58,000 bribe to allow him to get hold of a false "end user's certificate" which could have been used to ship 10,000 machine guns from Manchester.

The contacts included a retired colonel who, Mr Terpil said, would "walk" the phoney papers through the British authorities.

In fact, Mr Terpil's "buyers" were US detectives in disguise, preparing charges against him.

The Most Dangerous Man In the World, from commercial television's new Central station, set out to show how the deal was set up.

Last night the Manchester arms company Mr Terpil was said to have been ready to use, Inter-Arms Ltd., said it knew nothing about Mr Terpil's operations. The company said the phoney certificate would never have worked. And it denied staff knew the deal was illegal.

Two American detectives, investigating Mr Terpil's operations, said to involve supplying rifles, liquid explosives and poisons, followed the organisation to Britain, according to Mr Anthony Thomas, director of last night's documentary.

One agent, Jimmy Rodriguez, posing as a terrorist arms buyer, asked Mr Terpil to supply 10,000 machine guns.

Mr Terpil told Mr Thomas in the film that the phoney "end user's certificate" — a document telling the government and dealer the destination for the arms — would be made out for the Philippines. He said he had paid \$58,000 so that no questions would be

asked.

In the interview Mr Terpil told Mr Thomas that \$58,000 would "expedite the paperwork in totality. In United Kingdom and Philippines both."

Mr Thomas asked: "So people would have to be paid off in the United Kingdom and the Philippines?" Mr Terpil answered "Some people, yes."

The documentary said Mr Rodriguez was introduced to Mr Terpil's British contacts. They included a retired marine colonel who would obtain the phoney end user's certificate; the shipper, who is now wanted in America for drugs trafficking; and (another) man who would take Mr Rodriguez to view and test fire the weapons in a warehouse in Manchester, England.

In the reconstruction of his visit to Britain, Mr Rodriguez recalled meeting a man called Hamilton and saying pointedly in front of him and the contact that the supposed arms deal was not for the Philippines but for the Caribbean.

Mr Hamilton Spence, the managing director of Inter-Arms Ltd, said last night that although the detectives had visited his firm pretending to buy arms he knew nothing about the US police operation at the time.

Neither had he seen any false "end user's certificate." In the programme after the remarks by Mr Rodriguez about the Caribbean, Mr Spence was shown saying: "That is an absolute lie and you may be very, very, very sure of that." He said the detective's memory had failed him.

Mr Spence said that a phoney "end user's certificate" would not have been sufficient to secure the arms for the deal. Such certificates were checked not only by themselves but by at least three official government departments.

He could not rule out the possibility of a forged certifi-

cate working but one in which the end country was changed simply would not work.

Mr Spence said the mechanism for issuing export licences for arms was too complex not to spot such a simple subterfuge. His company would not be a party to it.

In the documentary Mr Terpil describes his colonel as "a retired colonel, not an active duty colonel that had been involved in several arms deals of a fairly good size" who was well known to arms dealers.

Mr Thomas's researchers tracked down the colonel who told them that his only contact with Mr Terpil had been to make an initial approach to Inter-Arms.

In the interview Mr Terpil told Mr Thomas that he had contacts in many organisations across the world, including MI6 and Scotland Yard.

Given a list of documents and unlisted telephone numbers, the TV team checked on Mr Terpil's claim. And said Mr Thomas "whenever we presented our evidence, nobody denied their association with Frank Terpil."

In the programme a former Terpil associate, also an ex-CIA man, Kevin Mulcahy, who has now turned State's witness on the affair in the US, described how Mr Terpil arranged to have "materials" got to him in Libya.

Mr Mulcahy said couriers carrying binary liquid explosives (two liquids which become dangerous when mixed) arrived drunk at Heathrow.

"Frank had promised these people he would meet them at the airport when their plane landed. They would never have to worry about going through Customs or anything else so they could go direct to Libya."

But Terpil did not turn up and Mr Mulcahy said he had to find Mr Terpil and get him to make arrangements "before London was blown off the face of the map."

Mr Terpil, admitting the story in the interview, said a courier called Harper had gone unchecked through Customs with the material instead of to a transit lounge. But, he said "I did have associates within the British Government at the airport that helped Harper and the Material back on the plane."

Asked by Mr Thomas whether he had special contacts in London for this kind of incident, Mr Terpil replied:

"I had certain facilities made available to me that the average bear would not have had."

Mr Terpil had arranged to give evidence to the US Government on some of his activities in return for a reduction in sentence. But, according to Mr Thomas, last November, while negotiations were under way, he was visited by three members of Syrian Intelligence. He has since disappeared.